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29 January 1966

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CENTRAL INTELLIGENCE BULLETIN

ARMY review
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NAVY review completed.

State Dept. review completed

CURRENT INTELLIGENCE
RELATING TO NATIONAL SECURITY

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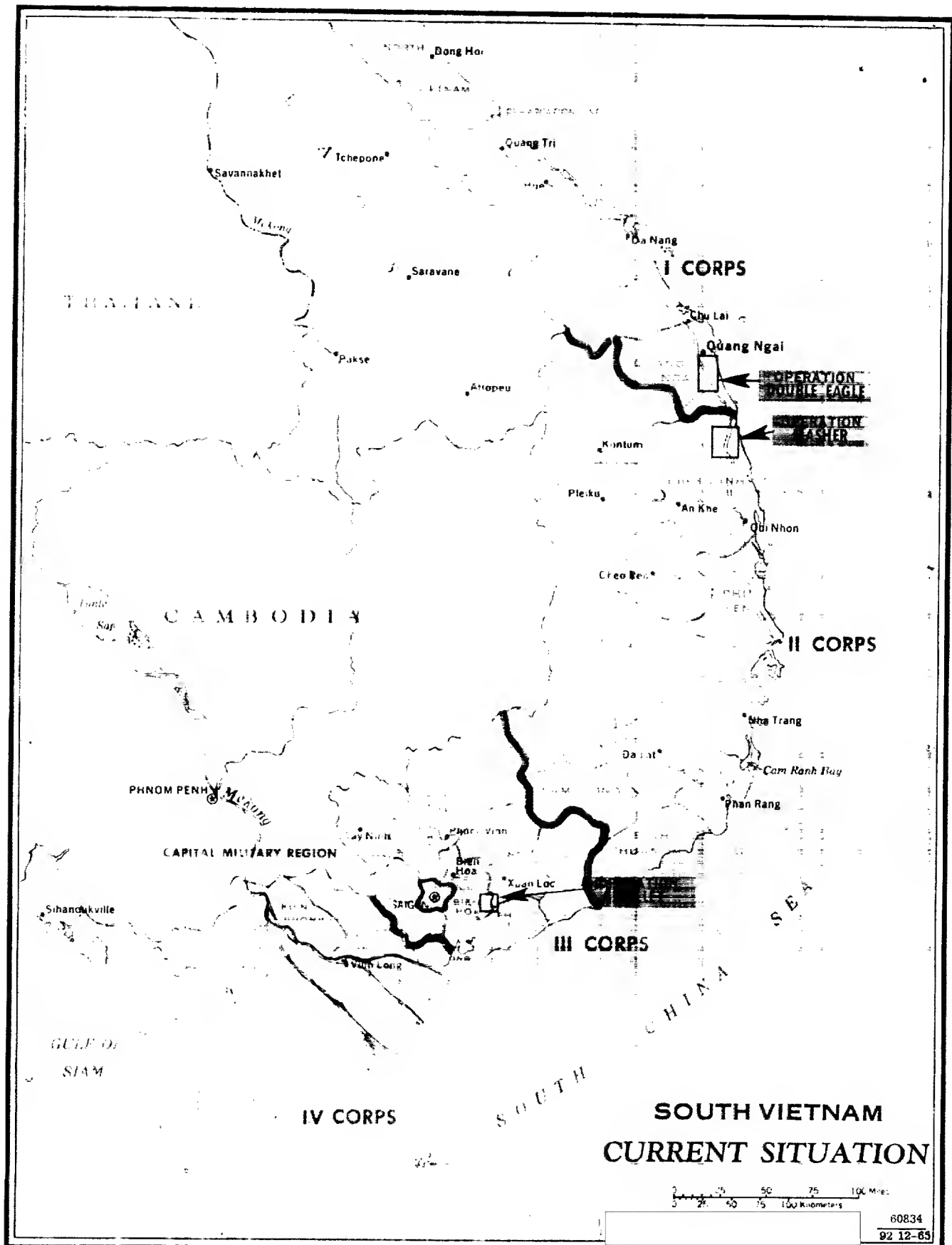
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*Vietnam: (Information as of 4:30 AM EST)

The Military Situation in South Vietnam: Several major allied operations are currently under way in areas suspected of harboring large enemy troop concentrations.

US Marine and South Vietnamese battalions have begun Operation DOUBLE EAGLE, a search-and-destroy effort south of the provincial capital of Quang Ngai. Meanwhile, Operation MASHER, involving a record number of allied troops, is continuing in the northeastern sector of adjacent Binh Dinh Province. According to reports from US military officials in Saigon, there may be four or five Communist regiments in the area of northern Binh Dinh and southern Quang Ngai.

Elements of the US 1st Cavalry Division and a South Vietnamese airborne battalion are engaged in heavy fighting with three Viet Cong battalions. Twenty-one of 38 helicopters receiving hits have been grounded. Cumulative allied casualties thus far in Operation MASHER are 25 killed (22 US) and 46 wounded (26 US). Viet Cong casualties are 137 killed (body count), 23 captured, and 197 suspects detained.

Elements of the US 101st Airborne Division providing security for rice harvesting in Phu Yen Province were reported to be heavily engaged by enemy forces yesterday. Casualty reports have not yet been received.

Farther south, near the border of Bien Hoa and Phuoc Tuy provinces, US forces conducting Operation MALLET have not established contact with enemy

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forces thus far. Two Viet Cong regiments are estimated to be in the area.

Widely dispersed Viet Cong activity continues to be conducted by small enemy units, with no large-scale attacks reported since the Tet cease-fire. On 27 January, South Vietnamese defenders of an outpost in Kien Phong Province successfully repulsed an enemy attack, killing six Viet Cong. Government losses were two killed and seven wounded.

Political Developments in North Vietnam: Hanoi on 28 January broadcast a series of answers by North Vietnamese Premier Pham Van Dong to questions put to him by US visitors Lynd, Hayden, and Aptheker. Dong took a particularly tough line on Vietnamese Communist peace terms and placed heavy emphasis on the role of the Liberation Front. He made it clear that any coalition government in South Vietnam must be "in accordance" with the Front's program.

The same general line was taken by Ho Chi Minh on 24 January in an open letter to the heads of governments "interested in the Vietnamese situation." The letter, broadcast by Hanoi, was apparently intended as a rebuttal to the US peace initiative. He asserted that the US must recognize the Liberation Front as the "sole genuine representative of the people of South Vietnam." He also said that the US must "engage in negotiations with it." This is one of the most straightforward public assertions by a North Vietnamese leader that the US must deal directly with the Front in any negotiations.

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Military Developments in North Vietnam: Continuing analysis [redacted] reveals increased infiltration activity in the Demilitarized Zone and that portion of Laos immediately adjacent to it.

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Waterborne infiltration equipment, new bridges, and trail improvements have been noted. A possible insurgent camp was also located in Laos near the DMZ, and new automatic weapons positions and trenches were noted in the same general area.

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Indonesia: Political maneuvering may focus next on the upcoming trials of those who participated in the coup attempt of 30 September.

Sukarno wishes to limit the trials to a very few coup leaders. The army wants to broaden them to include large numbers of Communist Party (PKI) members. [Army leaders hope that out of the trials they may obtain a judicial decision which can be used to ensure indefinite suppression of the party. Sukarno continues to put off their demands for a ban on the party.]

So far only two persons are scheduled for trial by public military tribunal in mid-February. One is Colonel Untung, titular leader of the coup, and the other is PKI politburo member Njono. The army has already extracted full confessions from both of them.

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[Sukarno and Foreign Minister Subandrio evidently are still backing the organization of the Sukarno Front, which they launched two weeks ago as a means of recovering political strength. So far, it appears to have attracted little significant support.]

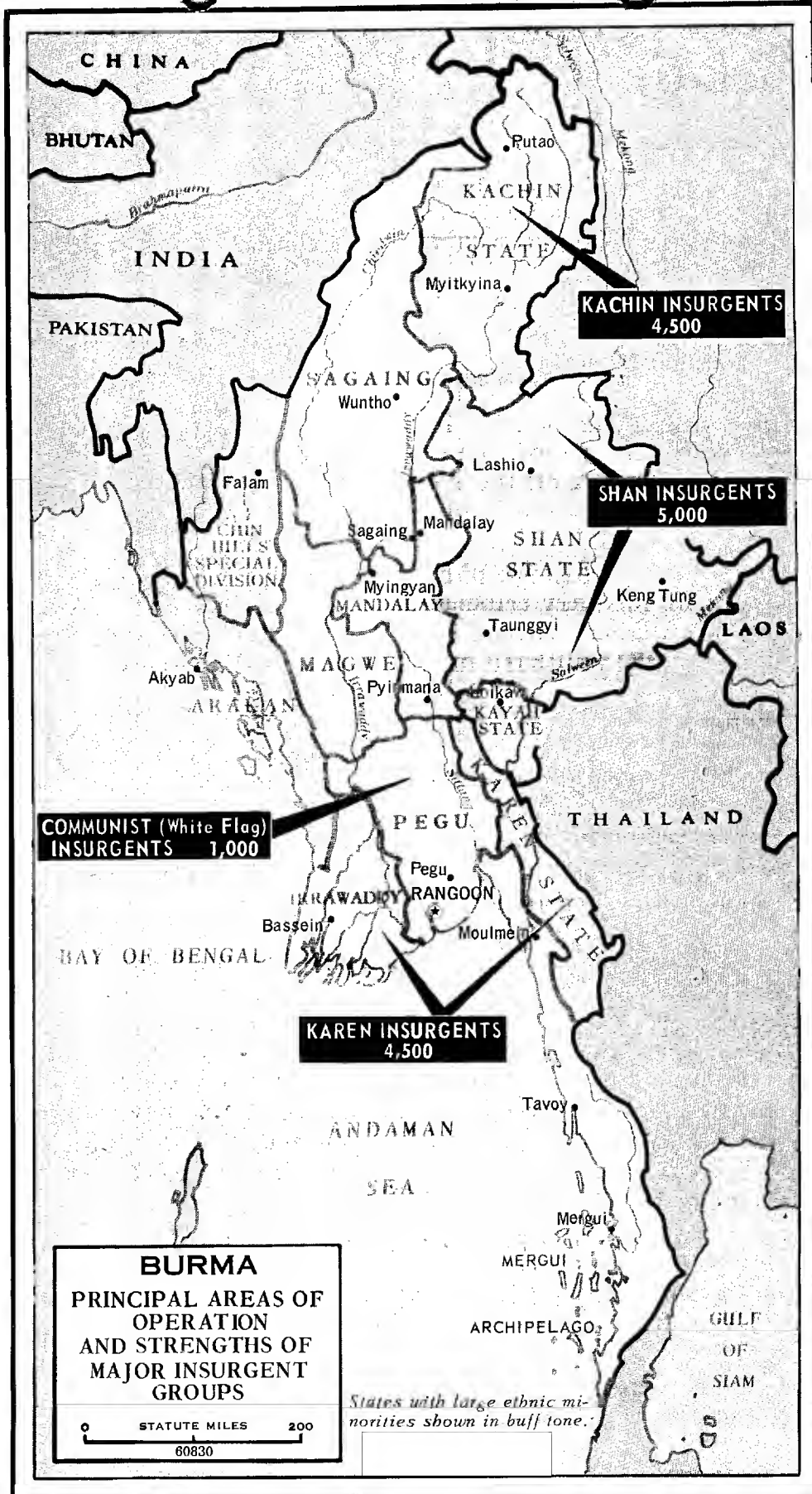
[The US Embassy in Djakarta notes that the army's response to the Front--proclaiming loyalty to the President on the one hand while disapproving the Front on the other--may have seriously obstructed this latest Sukarno-Subandrio ploy. The embassy warns, however, that the response may also have the effect of further reducing the army's freedom of action against the President.]

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Burma: [Various ethnic and Communist insurgent bands are becoming increasingly bold and aggressive in many parts of Burma.]

[Although insurgency, endemic in Burma since World War II, normally mounts at the end of the south-west monsoon season in October, an unusually high level of activity appears to have developed over the past three months. Rebels are impeding the government's dismal commodity distribution efforts, causing uncertainty among farmers both by intimidation and by spreading rumors about the government, and attacking transportation and communications arteries.]

[In late December Communist-dominated National Democratic United Front rebels raided a railway station and police post about 40 miles north of Pegu on the Rangoon-Mandalay railway. In one of the more recent incidents unidentified insurgents reportedly seized two armories, one of which was located at a police station in Rangoon.]

[Active ethnic insurgents include some 4,500 Karens, 4,500 Kachins, and possibly 5,000 Shans. The most serious threat, however, is posed by some 1,000 hard-core activists of the Burma Communist Party, known as the White Flags and having links with Peking.]

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The Ne Win regime is not currently endangered, however, mainly because of the insurgents' lack of unity and inability to muster any appreciable popular support.]

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Zambia-UK-Rhodesia: [Kaunda now seems to be taking a more measured approach toward the imposition of a total boycott of Rhodesian goods and services.]

[Signs of a more relaxed attitude in Lusaka and of greater Zambian confidence in British intentions toward the Rhodesian crisis have opened the possibility of postponing Zambia's threatened economic break with Rhodesia now set for 15 February.]

[On 26 January, President Kaunda left the US ambassador with a strong impression that although Zambia was willing to make sacrifices to help bring the Smith regime down quickly, it was "not prepared to commit suicide." Kaunda's own advisers have informed him that alternative transport resources would not be adequate to Zambia's needs until mid-April.]

[Although Kaunda's remarks were ambiguous and evasive, he has nevertheless displayed a new sense of confidence in UK determination "to crush" Salisbury. Kaunda said that if Britain strengthens its present sanctions program sufficiently, military force may not be needed, except to enforce the British governor's mandate once Smith has yielded. However, he left open the possibility that he would reconsider the timing and scale of his government's program in case the UK fails to act speedily enough.]

[The US ambassador warns that, despite this new relaxed and confident mood, a more impulsive approach could reappear in Lusaka at any time. Moreover, Kaunda's apparent certainty that Smith is doomed could be reversed if the precarious oil embargo is circumvented, or if Rhodesian tobacco and other goods can be sold this spring.]

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Ethiopia: [The recent military takeover in Nigeria appears to have encouraged new expressions of discontent among Ethiopia's educated elite.]

[In a talk this week with the US ambassador, the minister of defense, General Merid, described the political situation in Ethiopia as "intolerable." He stated that if the Emperor did not make changes in the political structure he would "sooner or later have his throat cut."]

[Merid said that Haile Selassie was completely out of touch with internal opinion and that the young educated elite in the administration and military were frustrated, dissatisfied, and increasingly restless. He said what occurred in Nigeria would be a "picnic" compared to the carnage in Ethiopia that would result from the Emperor's continued immobilism.]

[The ambassador comments that Merid was "deadly earnest." In a later conversation, General Iyasu, chief of staff of the armed forces, echoed Merid's views.]

[Neither officer indicated knowledge of any specific plotting within the army, or that they themselves planned any action. Nevertheless, their views reflect a new level of concern in military and civilian circles that the Emperor's preoccupation with promoting his own international image is detrimental to internal development.]

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NOTES

Greece: [Communist-influenced labor unions are sponsoring a spate of strikes in an effort to undermine the Stephanopoulos government, [REDACTED]

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[REDACTED] The strikes, based on demands for new collective bargaining agreements, are timed to coincide with debate on the controversial tax bill, which is already in trouble in Parliament. The government has had to use the army to supplant striking workers in some essential services.]

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Peru: [The Civil Guard, which handles basic police functions in Peru, has indicated it may go on strike on 30 January unless the government agrees to salary increases. President Belaunde reportedly will try to forestall the strike [REDACTED]

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[REDACTED] If this fails, he will use the army for police functions. There are indications that at least one of the opposition parties is encouraging the guard's demands and may use them as a new excuse to attack the government. [REDACTED]

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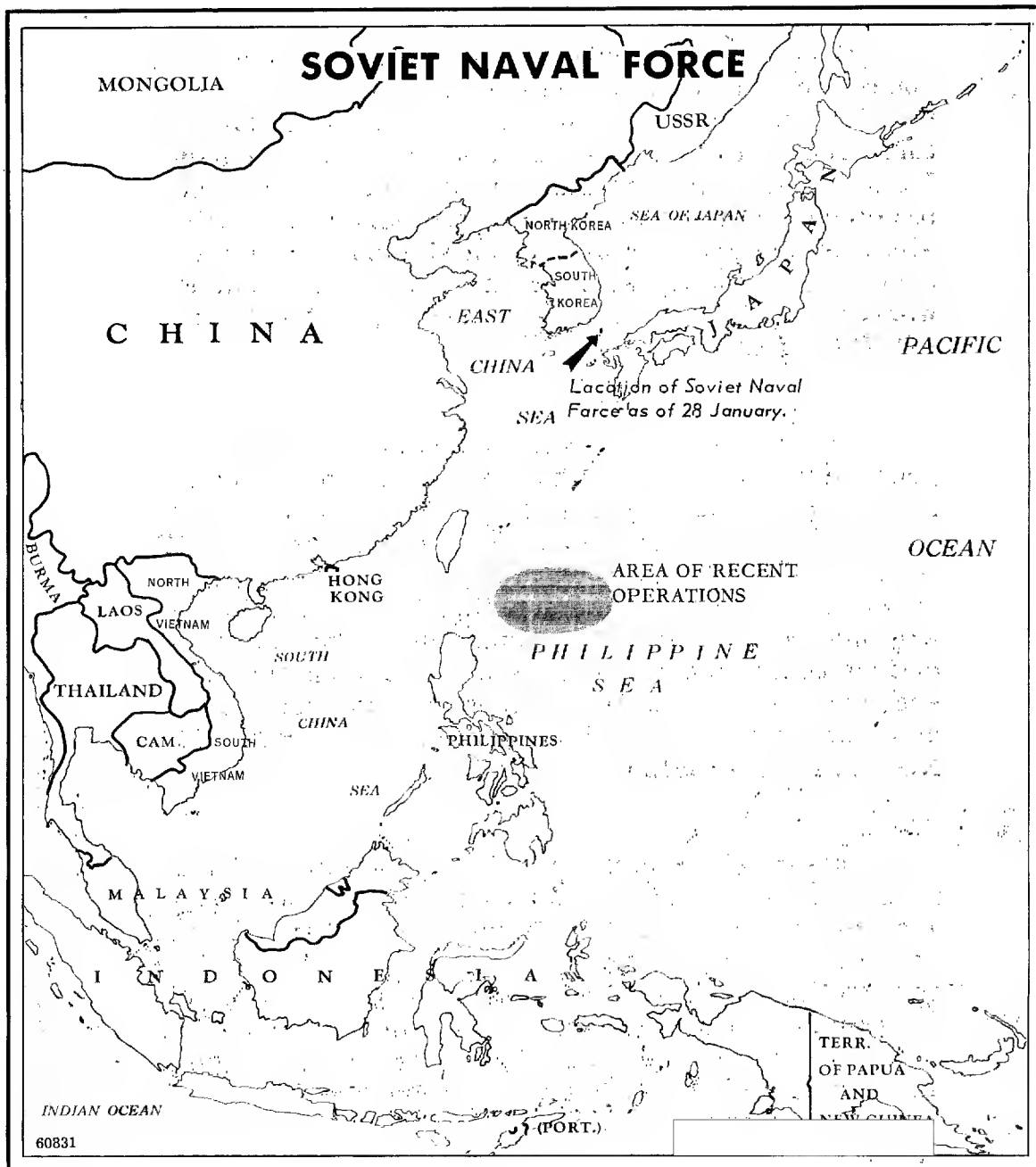
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USSR: A Soviet naval training exercise in the Philippine Sea, which began about three weeks ago, has apparently ended and the units involved are now proceeding homeward through the Sea of Japan. On 26 January two W-class submarines surfaced in the vicinity of two destroyers and two auxiliaries, confirming earlier indications that submarines participated in the operation. The Soviets have been conducting training deployments into the Philippine Sea intermittently for the past year.

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Special Counsel to the President

The Special Assistant for National Security Affairs

The Scientific Adviser to the President

The Director of the Budget

The Department of State

The Secretary of State

The Under Secretary of State

The Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Political Affairs

The Counselor and Chairman of the Policy Planning Council

The Director of Intelligence and Research

The Treasury Department

The Secretary of the Treasury

The Under Secretary of the Treasury

The Department of Defense

The Secretary of Defense

The Deputy Secretary of Defense

The Secretary of the Army

The Secretary of the Navy

The Secretary of the Air Force

The Assistant Secretary of Defense (International Security Affairs)

The Assistant Secretary of Defense

The Chairman, The Joint Chiefs of Staff

Chief of Naval Operations, United States Navy

Chief of Staff, United States Air Force

Chief of Staff, United States Army

Commandant, United States Marine Corps

U.S. Rep., Military Committee and Standing Group, NATO

Supreme Allied Commander, Europe

Commander in Chief, Pacific

Commander in Chief, Atlantic

The Director, Defense Intelligence Agency

The Director, The Joint Staff

The Assistant Chief of Staff for Intelligence, Department of Army

The Director of Naval Intelligence, Department of Navy

The Assistant Chief of Staff, Intelligence, Department of the Air Force

The Department of Justice

The Attorney General

The Federal Bureau of Investigation

The Director

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The Administrator

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